

MINUTES OF THE  
WEST LAFAYETTE REDEVELOPMENT COMMISSION  
September 11, 2003  
*Amended*

Redevelopment Commission members present: Steve Belter, Earle Nay, Patsy Hoyer, Chris Corrigan, and Barbara Cook. Also in attendance: Mayor Sonya Margerum, Clerk Treasurer Judy Rhodes, City Attorney Bob Bauman, Development Director Josh Andrew, Charlotte Martin of the Development Department, City Council member Jan Mills, and citizens and members of the media.

Mr. Belter called the meeting to order at 5:30 pm.

OLD BUSINESS

The first item on the agenda is the approval of the August 22<sup>nd</sup> minutes. They were sent out before they had time to proof read them. It is suggested that we postpone the approval of the minutes until they have time to proof and correct some of the obvious corrections.

The next item of business is the discussion of the 2004 TIF Replacement Levy. To recap a little of our last meeting, what's under discussion here is the Replacement Levy for the property taxes that will be paid in the year 2004. We have the opportunity to recommend to the Council that we notify the County Auditor and the State's Department of Local Government Finance (DLGF) if we do not wish them to compute the tax rate to replace money that would be lost in the TIF Districts because of reassessment.

We discussed the KCB TIF District, and the consensus was that we did not feel that we needed the money to meet our obligations. The Commission voted to recommend to the Council that we not take the, what would otherwise be automatic, TIF Replacement Levy in the KCB District for 2004.

At the time, we were also discussing the Sagamore District and there were only 3 of us here and we need 3 affirmative votes to pass a resolution. There was strong support voiced by Mr. Nay and Mrs. Hoyer. They felt it was a good idea to take the Replacement Levy for that district. Our current estimate is that the TIF Replacement rate would be .0029 per hundred assessed valuation. With that the Replacement Levy would raise \$29,000.

We also discussed but didn't reach a conclusion on the Levee/Village District. Umbaugh's estimate is that the Replacement Levy would be about 2.86 cents per hundred, raising approximately \$289,000. The decision we made at that meeting was that we would call another meeting so that Ms. Cook and Mr. Corrigan could participate in the discussion of projects and whether or not it is appropriate to recommend to the Council that we forego the Replacement Levy or determine an amount of money that we wanted to keep, or if we wanted the entire amount.

Mrs. Hoyer added that the reason that we paused to not turn it down at the time was because the list of projects had not formally been discussed. I think it was also because we had such a short window for making a good decision. We also talked about the fact that the Commission has had the ability to be somewhat opportunistic. When something comes up that needs to be done, we've been able to make a decision fairly quickly, not only because we've had money, but because we had a comprehensive or sequence of plans so we could see when something could be inserted rather than just a list of things. We had much more of a foundation. I think, as a group, we needed to pause and look at this list once again. Another thing that I've been able to think about that was pointed out, we have two other projects in that district which should be collecting cash.

Mr. Bauman said to bring people back up to speed here; we do have a cash flow projection based upon the initial projects and sequence that shows that they could be funded without the TIF Replacement Levy in 2004. The recommendation was to recommend to the Council not to collect that levy. I think you can see that from the cash flow projections that we are able to fund these in 2004. I'd like to point out that the Redevelopment Commission works off the cash flow from the previous year.

Mr. Belter stated that his thought, at the last meeting was that we could forego the Replacement Levy for the Levee District. Mrs. Hoyer wanted more time to think about it and Mr. Nay spoke eloquently to needs up in the Village that weren't on the project list. Being that's also covered by this district, the need for taking a proactive stance to make sure that area of the City does not have blight or decay problems.

Mr. Nay stated that this was funds that we were anticipating prior to this whole reassessment fiasco. We would've gotten that money out of just that district. As it turns out now, that replacement money is coming from the entire City and so the tax payers are seeing a difference in their rate. If you calculate it one way, that the City needed a certain amount of revenue and we captured it from the TIF District, the citizens are paying a little bit more money in order to meet the levy that the City needs. This differential calculation is confusing because it's all been changed to the reassessment. The second thing is that the City only has so much redevelopment monies. The more that we can prudently bank, despite what political depressions might be for future development in the Levee, the less we have to use other development funds for projects there that are known or might be coming up. For instance, what's going to happen to the sewer infrastructure in that older section of town? I know there has been some work, but there probably needs to be more. The sidewalk, for instance, along the south side of the Village, we haven't been able to work on it. Seems to me that we ought to visit that, even though it wasn't all TIF monies used for that. There is still a parking problem in the dense Village. The library parking lot may solve that and it may not. It may be that we help them by adding on a couple of decks on to the parking garage and help that entire area. These are all possibilities, but they're things that may come up and bite us if we aren't prepared for them. There is, in my mind, a need to assist the direction in that part of the district between State Street and the railroad tracks between Grant and South River Road. It's turning into a multi-apartment dwelling community for the University. There are some nice new apartments, there are some reasonable apartments, and then there are some converted houses that really need to be kept up better or be converted to multi-family dwellings so that it doesn't turn into what it was a few years ago. Is there some way that we can help to make sure that it stays that way? It seems to me that it would be appropriate to use the mechanism that we've been given by the State to insure that we can help if we have to. There's also the potential

project on the north side of Brown Street that has been put on an indefinite hold. That said, it's also a case that we have been wildly successful in the Levee and I guess that I could be talked out of the fact that we need to bank every penny that we can get. I think that it would be prudent to do that, but if the rest of the Commission doesn't feel that way then that's the way it goes.

Mr. Corrigan said if I understand this right, you're talking about projecting an unencumbered balance, beginning 2004 of \$1,727,000, and we're projecting expenditures that total up to about \$3,061,000. Mr. Bauman said no. Project numbers 19-33 added together come up to about 1.6 million dollars. Mr. Corrigan stated that no, they can't. Mr. Belter said I know what that was supposed to add up to, but you're right, that's not the right number. Mrs. Rhodes asked if you're backing in and out the 1.5 million? I can't tell what you're doing with it either. But there is no single star number 1 on this form anywhere. Mrs. Hoyer stated that number 27 has a star. Mrs. Rhodes said sorry, so you've already taken that into account? Mr. Bauman said yes.

Mr. Corrigan asked for explanation on the Tapawingo South, the \$540,000. Mr. Bauman stated that it would be the City share of building Tapawingo South from State Street over to River Road.

Mr. Nay stated that it might be a good idea if we went over those projects again briefly.

Mr. Corrigan asked what next year's expenditure number is. Added up, it comes to \$3,261,000. Is that the number that we're projecting spending next year? Mr. Bauman answered that it'll be more money than we'll have. Mr. Corrigan stated that's his point. Why would we be discussing putting money back if we've already spent more than we'll take in? Mr. Bauman said we haven't spent it. Mr. Corrigan said that we are projecting to. Mrs. Hoyer added that's if we do those projects. Mr. Bauman stated that the other option is that some of these could be financed out of other capitol funds rather than the TIF, but it also creates problems in terms of what is available elsewhere in the City.

Mr. Corrigan stated that if we are going to talk about not collecting this money, then we need to start thinking about what projects we aren't going to do next year. Are there projects that we don't need to do? That leads us into, what are these exact projects and how necessary are they? Mr. Bauman stated that we can discuss the projects as last time. I think that they are all reasonable and appropriate projects. The timing on some may be subject to adjustment. You live within **your** means.

Mr. Bauman gave a breakdown of the project list. The first is the Wabash Landing construction contingency. That's what's been recommended by our project manager as a contingency to cover the work that will be completed this fall at Wabash Landing on the walkway. \$50,000 for the Heritage Trail is to complete the connection from Brown Street up to where the trail is under Harrison Bridge. The park equipment and utilities building is a building at Tapawingo Park for utilities and some storage. Garage security is to provide security system cameras in the garage. Mr. Corrigan said that he thought that we weren't managing the garage anymore. Mr. Andrew stated that they are managing it, but we need to put a security system in it. Mr. Corrigan asked if that's provided by the managing? Mr. Andrew said no it isn't. Mr. Bauman stated that the next item is garage improvements. The next is Brown Street traffic islands to replace the temporary one down there. The river

recreation venue is to purchase additional riverfront park land. The next item is Brown Street overlook and street improvements. We have discussed the Tapawingo South project. The next item is various improvements to Tapawingo Park, including the playground and a performing arts venue. That would be a good example of a project that could be flexibly scheduled. Williams Street project is for improvements from River Road up the hill to Grant that will tie into the Purdue transportation plan. The next item is N. Chauncey streetscape. That would be along Morton Community Center. That would also potentially tie in with additional private investment. The next is the riverfront improvements, which are improvements for the additional riverfront park plan. The next is wayfinding and has no dollar amount associated with that. It's related to the project that we are jointly involved with the City of Lafayette. And finally there's the bond payment.

Mr. Belter asked about project # 27, Tapawingo South has an asterisk by it with \$1,500,000 pay up front and reimburse. Is that added into that column? Mr. Bauman answered no because the million and a half wasn't put in there. What was put in there would be the City's share and the 20%. Mr. Belter stated that the number at the bottom is then off by 1.65 million. Mr. Bauman stated that is correct, which means that we'll have to shift and defer some projects. There are some projects that are time critical such as N. Chauncey streetscapes. That area is going to be torn up in 2004. That would be much more cost effective to make improvements then, rather than going back to it later.

Mr. Nay asked about the improvements to Brown Street in regards to the traffic island, it seems to me that it needs to be something permanent. However, keeping it to a minimum seems to make sense because down the road there's not going to be that parking lot across the theater. Isn't it planned to become a structure? Mr. Bauman stated that part of it is going to become a business and part of it will remain a parking lot. Mr. Belter stated that the Mellow Mushroom is going to be on the corner. Mr. Nay said that there will be continued need for that island for safety sake, then that's fine.

Ms. Cook stated that the original plan for the Levee had an overlook on Brown Street, is this the same for project #26? Mr. Andrew said yes. Mr. Bauman stated that it is a major feature of the area that draws people there and helps businesses. We are within an urban area, blessed with some riverfront there which is fairly accessible. We feel that it's important to try to maximize the benefit from that area. Ms. Cook agreed that it was very important in the original plan.

Mr. Belter stated that he thinks that it's important to revisit one of the reasons for the Redevelopment Commission and the projects that we've got here. It's for the good of the City and if we do our job right, we help reduce the costs of operating the City and we increase the tax base of tax payers that help cover the costs and if we do that job right, that reduces what each of us individually have to pay. One of the primary reasons for working on the Levee/Village area is that the more compact our City is, the fewer number of police and fireman we need to control us. The broader we are, the more we spread out into the suburbs, the more police and fire stations we need to cover that area. To the extent that we have redeveloped the Levee area, we've helped keep the City compact, reducing the expenses for police and fire. And to the extent that we lower those expenses, that lowers taxes. On the flip side of it, the building that's occurred in the Levee/Village area and especially out in the Research Park expands the tax base. In particular it increases the assessed valuation of the City. That does not result in additional tax collection because that's not the way the computation of property tax works in Indiana. By increasing the

assessed valuation, then the City budget controlled by the State statute, the larger assessed valuation lowers the rate of the tax payments. We are capturing increased increment in most of those districts of the property tax, not of real property, so there is still some increase in the assessed valuation that occurs because of development. Furthermore, as time goes on, as the need for the TIF districts changes or decreases and the portion or all of the districts are removed and that additional assessed valuation, which we've helped create, goes into the AV for the City and the other taxing districts, which again provides downward pressure on tax rates.

Mr. Bauman said as discussed last time, the real property increment is captured but the personal property or equipment goes into reducing the tax rate because it's added to the assessed value. We do foresee within the next few months that we'll probably be making a recommendation on the KCB district to remove part of the area from the district, which would pass that assessed valuation through.

Mr. Corrigan asked if there is no end in site for the Levee as far as the TIF district is concerned. Mr. Bauman stated that we aren't there yet. Mr. Corrigan stated though that we've got a bond that we've got to pay off over the next 20 years. Mr. Bauman stated that if there is enough development, we may not need all of it to pay off the bond but we aren't there yet. We've got some projects that are in the works such as the development at River Road and State Street. As those kinds of projects occur, that will help build the increment and we can re-evaluate then where we are.

Mr. Nay stated that the completion of Tapawingo South will open up those 11 acres for development. We have no idea what will happen there, hopefully all exciting projects.

Mr. Corrigan stated that as we sit here today, we can tell the people of West Lafayette that we are going to take 2.86 % from each of you, because \$288,957 of tax money is going to come from you. Mr. Bauman said no, you are just making a recommendation to the Council. The Council will make that decision. You don't get to decide that. Mr. Corrigan stated that we are basing that upon a wish list of things. We haven't decided that we are going to do these things, but we are going to hold on to the money anyway and pass it on to the tax payers, and I don't think that's right. I don't think that this should be the recommendation.

Mrs. Hoyer stated that from the last meeting, the three of us here really wanted more time to look at this list, to look at what we were discussing and to bring in the other two important members. I don't think that we wanted to keep that money. Mr. Belter stated that Mr. Nay spoke very highly of that (keeping the money). Mrs. Hoyer stated that she thinks that in turning this money down, we need to be clear on what we are doing. It's an opportunity to reaffirm what it is that we are doing. We have some decisions to make about the money that we do have. We also should then be saying, we aren't going to take this money, but what are our goals and objectives now and what do we want to do. I think that we should not take the TIF Replacement. I think that this is an opportunity to look at where and what we are doing next.

Mr. Corrigan stated that we need more of an overview of how close we are to really doing these projects. Mr. Bauman stated that Mr. Payne was at the last meeting that you were unfortunately not at, and he explained in additional detail and answered questions on some of these projects.

Ms. Cook wanted to state what she believes is an obvious point. I think that what we did in 2003, basically is what had to be done to get the Levee going. There were things that we knew we had to do. Some of the projects for 2004 can be postponed, as I see it, although I think they would all be nice. At least we have construction on the Levee and it's alive, but I think it was necessary to do what we did to make that happen. Mr. Bauman stated that it wasn't going anywhere before the investment that you made.

Mr. Nay stated that if the reassessment did not happen, what would the tax rate be for all the City tax payers now, given that there would've been more money (2004) captured in the TIF district? That wouldn't have been available for the City, so they would've had to create a higher levy. It may be that there wouldn't have been a whole lot of difference. The fact that we can now identify it as \$200,000 as somehow being extra monies, there really isn't extra money. It's just be redistributed as to how it's being collected. The question comes down to this, if we had not had this money collected, this replacement way, would we have turned it down if we had the chance to tell the State? That's a question that we need to ask ourselves. Would we have had this discussion about somehow collecting \$200,000 less for 2004?

Mr. Corrigan said, realistically we never would have even thought about it. We wouldn't have had a discussion. Mr. Nay said, exactly. The State forced us into bringing the whole City in. Mr. Corrigan said how often do we say to the City of West Lafayette, we are going to have \$268,000 worth of taxes that we're going to take. It's a little different discussion. I understand what you're (Mr. Nay) saying but we wouldn't have known. Mr. Nay said it may have been very close to a wash. That's what the tax payers need to understand. We are not, somehow levying additional monies, it's just being paid by a different group of people and that's unfortunate, but we didn't have anything to do with that. We can only choose whether or not we allow that re-distribution to take place or not. I hate to see it in the press that it's additional money because it isn't.

Mr. Nay made a motion that we recommend to the West Lafayette Common Council that we notify the Auditor and the DLGF that the City does not wish to take the TIF Replacement money for the Levee/Village TIF District. Mrs. Hoyer seconded.

The motion passed unanimously 4-0.

Mr. Belter stated that we are not making a recommendation that the Council forego the \$29,000 in the Sagamore TIF District.

In other business, Mr. Andrew stated that you had asked for some numbers on Cumberland Place since it has changed hands. It represents 7% of the TIF. This generates roughly 1.8 million per year. It'll be a \$129,000 loss. We will still have 275% coverage on a bond of \$682,000. Mr. Belter asked when that (when we lose that income) will kick in? My guess would be that it isn't until 2005 because the assessment was made March 1<sup>st</sup> of this year. Mr. Andrew said that is probably correct. Mr. Bauman stated that in that district, we also have announcement that Wal-Mart will be expanding. That construction will begin next year and will be complete in 2005.

Mr. Belter stated that Cumberland Place is an example of how values can go down in addition to going up. I don't believe it should be a problem as far as meeting our

obligations. Mr. Bauman stated that given the economic progress of that area it's not a cause for concern. We will take that into account in doing our analysis and making recommendation on changing to the district.

Mr. Belter opened the floor for public comment. He stated that today is September 11<sup>th</sup>. The second anniversary of the terrible events in New York, Pennsylvania, and Washington DC and for those who were directly affected by that, our thoughts and prayers are certainly with them. Also, we continue to hope for the best for the Governor, who we hope is recovering in a hospital in Chicago.

Mrs. Rhodes stated that she wanted to comment on a couple of things. The first being that she'd like the record to reflect that the numbers that you mentioned regarding the KCB with the Replacement Levy was decided that \$300,000 is the number that you're not going to accept this year. Have they received the revised worksheets? I was reviewing the assessed valuation and there was a 45 million dollar error made in the allocation of the assessed valuation between the school corporation and the KCB District. The amount of increment that you would've collected was fairly smaller than initially estimated. It would have been \$286,254. I just want the record to show that. I noticed at the auditor's office today that the form had already been filed with the DLGF but a couple of things I'm not being copied on the transmittal. I want to ask the Commission to address that, I've already asked the Mayor. Secondly, it was not signed by anybody here locally. A blank has been signed and ultimately someone is supposed to take responsibility for. I wanted to make sure that the Commission was aware of that. The other thing I wanted to briefly ask you to consider, based on the presentation from Umbaugh last week, I think that as a result it's very clear that we need a list for the process to go along with the Replacement Levy. It's a complicated process. *Sheets were handed out*. I made a diagram of all the steps in the process. I think this Commission needs to have a check list. You need to assign responsibility to make sure that all these steps get executed. For your reference, I diagramed which steps were missed this year. I want to ask you again, please don't bypass the fiscal officer. If you are generating financial analysis for the financial firm, and I don't get to see the draft, I'm only going to catch these things after the fact, after things are filed. Please, don't bypass the fiscal officer. I don't think you understand what's happened with the reassessment process. I really didn't have a chance until I started working on it this afternoon. Do you realize now that between the tax increment that you would normally collect and the replacement levy, you are now collecting almost 60% as much property tax as we collect to run the entire City? It's huge. Please, don't bypass the fiscal officer. The reason why there's statutory requirements, which you file financial documents with me, is so that all of us can do our parts. There were unfamiliar forms people received, but they weren't unfamiliar to me. Please don't bypass the fiscal officer and we won't have anymore of these serious mistakes. We are seeing an enormous ramp up in property tax that's flowing through this Commission and according to the DLGF, you are responsible for making sure that this process works. I hope in the future, as you are asking Umbaugh to work on financial documents with them, that you will give them permission to talk with me during the work stage so that I can have some input so that we can end up with a better work product to start with. I'm sure that they wouldn't have any problems working with me, but they aren't allowed to until they are given permission. I'm asking you to give them that permission.

Mr. Belter asked Mrs. Rhodes about the dates not having years and whether those are standard dates. Mrs. Rhodes said that they are standard each year.

Mr. Corrigan stated that he thought that the same type of problem occurred a couple of years ago and we made some working relationship, did we just fall away from that. Mrs. Rhodes said that it didn't last very long. Mr. Corrigan and Mrs. Hoyer stated that this is something that we need to do.

Mr. Belter asked for any other comment from the public. Mr. Sam Haines stated that he lives at 713 Avondale. I appreciate being able to attend here. This is one of the most confusing meetings I've ever sat in on. The only comment that I'd like to make is that we ought to bank the money so that we have it there in case we need it. I seriously doubt that if we ever had money banked, that we wouldn't use it. Thank you for allowing me to sit in.

Mr. Nay stated that he was happy that he (Mr. Haines) came. We wish the public would come more often. We'd like to see the public stay for the entire meeting. Last week we had some people express their opinions, and then before we got a chance to talk about what the benefits were, they left. That said, you are always welcome to the meetings. It is confusing to step into this for the first time. The process is complex. If it weren't that we were all convinced that it was only for the betterment of the City and the citizens, I don't think that any of us would be participating in it. We are all tax payers too and we're not elected officials but we all serve at the pleasure of elected officials and if were not doing what the elected officials want, we will soon find ourselves no longer non paid volunteers.

Mrs. Mills stated that she would like to thank you all (the Commission) for your serious consideration of the TIF Replacement Levy and your recommendations for the Council for the next year. I appreciate the work that you put into it. Certainly the discussion today has been very enlightening.

No other public comments were made.

Mr. Belter stated that our next meeting is scheduled for September 19<sup>th</sup> at 12:30 pm to discuss the Levee/Village Report.

Mr. Nay made a motion to adjourn. Ms. Cook seconded. The meeting adjourned at 6:40 pm.

Respectfully submitted,

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Francis Earle Nay, Recording Secretary

Approved:

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Stephen Belter, President

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